



**Topic Paper**

**Housing**

**Version 2**  
**November 2012**



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## 1.0 Purpose

- 1.1 This document is one of a number of topic papers produced to support the Draft Core Strategy and Development Management Policies Development Plan Document (DPD) (also known as the New Plan for North Dorset)<sup>1</sup>. It provides a general overview of housing issues, including issues relating to affordable housing. It summarises those parts of the evidence base which informed the housing policies in the draft Core Strategy and Development Management Policies DPD. It also sets out the policy background – at national, regional and local levels – against which plans are prepared.
- 1.2 The topic paper is a working document which will be updated as evidence is acquired and the consultation process proceeds. Version 1 of the Housing Topic Paper was published in August 2009.
- 1.3 This revision takes into account changes to national planning policy, notably through the provisions of the Localism Act, which was enacted in November 2011<sup>2</sup> and the National Planning Policy Framework (NPPF), which was published in March 2012<sup>3</sup>.

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<sup>1</sup> The draft DPD, which was published in March 2010, can be viewed here -

<http://www.dorsetforyou.com/media.jsp?mediaid=147729&filetype=pdf>

<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

<sup>3</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

## 2.0 Introduction

- 2.1 Paragraph 6 of the National Planning Policy Framework (NPPF) states that *“the purpose of the planning system is to contribute to the achievement of sustainable development.”* It also states (in paragraph 17) that planning should *“be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area”*.
- 2.2 The Dorset Sustainable Community Strategy (SCS), which was updated by the Dorset Strategic Partnership (DSP) in 2010, sets the community-based strategic vision for the area. The planning system, through policies in the District Council’s planning documents, has a role in delivering the priorities in the SCS.
- 2.3 The NPPF highlights the social role of planning (in providing a supply of housing, including affordable housing), which supports its economic role by enabling a balanced workforce to be provided to support the local economy. It also seeks a sustainable distribution of housing by requiring planning to *“focus significant development in locations which are or can be made sustainable”*.
- 2.4 The draft Core Strategy set out an overall vision for the area, describing how places within it would develop over time and objectives for the area, focusing on key issues. The vision and objectives have been updated and are discussed in more detail in the Issues, Challenges, Visions and Objectives Topic Paper, which was produced in November 2012. The vision and objectives for the District remain closely related to the SCS and have also been informed by the characteristics of the area and the key challenges it faces.
- 2.5 The NPPF requires plans to be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. This evidence should contain two elements:
- Technical research studies; and
  - The results of consultation with the local community and others who have an interest in the area.
- 2.6 This paper draws together the housing-related evidence collected to support the approach proposed in the draft Core Strategy. It includes sections on the updated research studies undertaken since the recent economic downturn and the outcomes of consultation with the local community. It also outlines the national, regional and local policy framework within which the Core Strategy has been developed.

### 3.0 National, Regional and Local Policy Context

#### National Policy

- 3.1. Planning Policy Statement (PPS 3): Housing previously set out the Government's planning policies relating to housing. However, this was replaced by the NPPF, when it was published in March 2012. The NPPF sets out the Government's objectives for the delivery of housing and the role of plans in achieving these objectives. The main points in the NPPF relating to housing are summarised below.

#### Delivering Housing

- 3.2. Paragraph 7 of the NPPF indicates that part of the planning system's social role is to support strong, vibrant and healthy communities *"by providing the supply of housing required to meet the needs of present and future generations"*.
- 3.3. Local planning authorities are encouraged to use their evidence base to ensure that plans meet *"the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework"* (i.e. the NPPF). They are also encouraged to identify *"key sites which are critical to the delivery of the housing strategy over the plan period"*.
- 3.4. Local planning authorities are expected to be able to demonstrate a five-year supply of deliverable housing sites and to be able to identify a supply of specific, developable sites or broad locations for growth for the following five to ten years (i.e. years 6-10 and where possible, for years 11–15).
- 3.5. Local planning authorities should also *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and *"identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand"*.

#### Delivering Housing in Rural Areas

- 3.6 Paragraph 55 of the NPPF states that *"To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. For example, where there are groups of smaller settlements, development in one village may support services in a village nearby. Local planning authorities should avoid new isolated homes in the countryside unless there are special circumstances ..."*
- 3.7. In rural areas local planning authorities *"should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate"*. They are also invited to consider whether an element of market housing should be allowed on rural exception sites if it

*“would facilitate the provision of significant additional affordable housing to meet local needs”.*

#### Delivering Affordable Housing

- 3.8. The NPPF supports the provision of affordable housing, where a local planning authority has identified that it is needed. They should *“set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified”.*

#### Sustainability Considerations

- 3.9. The NPPF indicates that local planning authorities should support the move to a low carbon future by planning for new development in locations and ways which reduce greenhouse gas emissions and *“when setting any local requirement for a building’s sustainability, do so in a way consistent with the Government’s zero carbon buildings policy and adopt nationally described standards”.*
- 3.10. Paragraph 36 of PPS 3 adopted a ‘brownfield first’ approach to housing development. ‘Brownfield’ development is still encouraged in paragraph 17 of the NPPF, which states that planning should *“encourage the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value”.* However, the ‘brownfield first’ approach is no longer in force.
- 3.11. National policy used to regard residential gardens as brownfield sites; however, the glossary of the NPPF (Annex 2) now expressly excludes them from the definition of previously developed land. As they are now considered to be ‘greenfield’ sites, they are not subject to the national policy to encourage development on ‘brownfield’ land.
- 3.12. The national indicative minimum density standard, of 30 dwellings per hectare (30 dph), was deleted when PPS 3 was reviewed in June 2011. Paragraph 47 of the NPPF now indicates that local planning authorities should *“set their own approach to housing density to reflect local circumstances”.*
- 3.13. Whilst achieving sustainable development still remains very much at the heart of the planning system, the changes set out above provide a much more flexible framework within which local policies relating to density and infilling (including on residential gardens) can be developed.

#### Evidence Base Requirements

- 3.14. Local planning authorities should have a clear understanding of the housing needs in their area. With this in mind, paragraph 159 of the NPPF indicates that they should work with their neighbouring authorities, where necessary, to prepare a Strategic Housing Market Assessment (SHMA) across a housing market area. The SHMA should *“identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period”.*



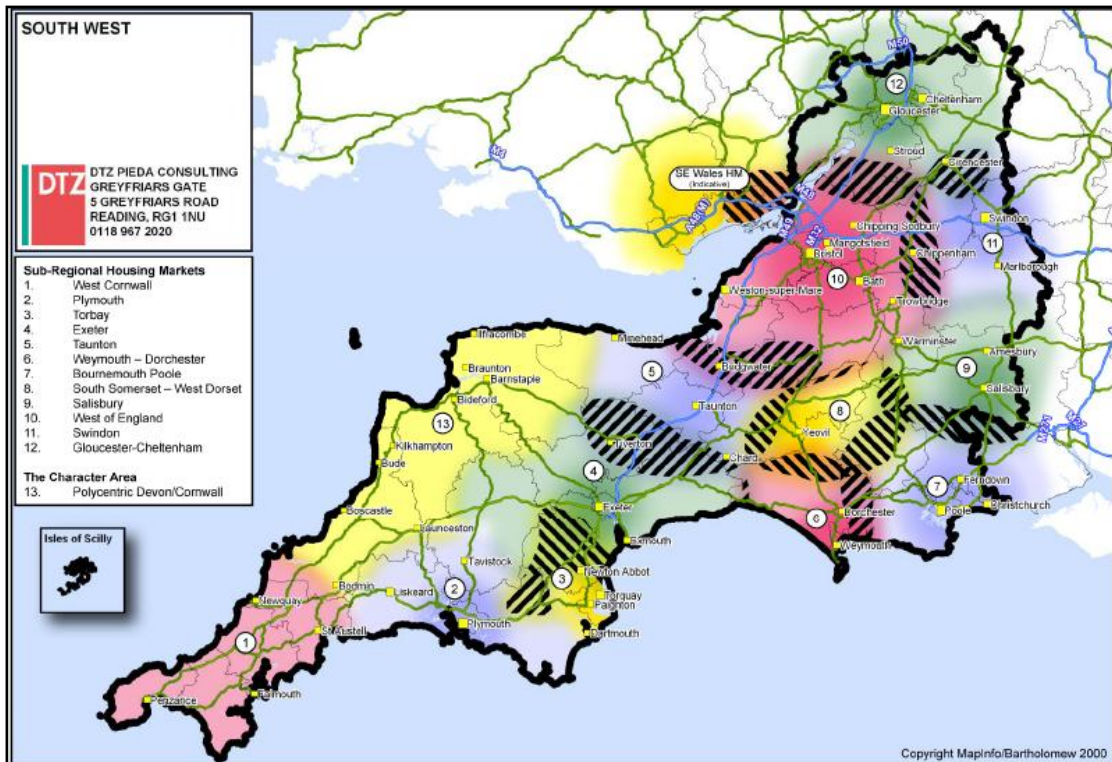
- 3.15. Local planning authorities should also prepare a Strategic Housing Land Availability Assessment (SHLAA) *“to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period”*.
- 3.16. In North Dorset both the SHMA and the SHLAA have been updated since the draft Core Strategy was published in March 2010.

**Regional Policy**

Regional Spatial Strategy for the South West 2006 - 2026

- 3.17. The Localism Act provides the legislative basis for the abolition of regional planning. This means that the ‘emerging’ Regional Spatial Strategy (RSS) for the South West will not now proceed to adoption. The draft RSS was produced in June 2006 and following an examination in public the Secretary of State produced ‘Proposed Changes’ to the draft RSS in July 2008. Although the draft policies in the ‘emerging’ RSS are no longer being taken forward, some of the evidence that underpinned them remains relevant.
- 3.18. The ‘emerging’ RSS set out general policies for the region but also included sub-regional policies based on Housing Market Areas (HMAs). Work was undertaken to try and define the HMA boundaries, but as Figure 1 shows, there is considerable overlap between ‘functional’ HMAs and they do not fall directly within local authority boundaries.

**Figure 1: South West RSS sub-regional Housing Market Areas**



- 3.19. The evidence shows that in terms of how housing markets function, North Dorset forms part of: the Bournemouth and Poole HMA; the Salisbury HMA; and the South Somerset – West Dorset HMA. For the purposes of the ‘emerging’ RSS, HMAs were defined along administrative boundaries and for planning purposes, North Dorset is defined as falling entirely within the Bournemouth and Poole HMA.
- 3.20. The main evidence base studies to inform housing policy in North Dorset have been undertaken on the basis of this HMA, which includes the whole of the local authority areas of Bournemouth, Christchurch, East Dorset, North Dorset, Poole and Purbeck.
- 3.21. The ‘emerging’ RSS also included a ‘core spatial strategy’ (Policy CSS), which sought to distribute development, including housing, in accordance with a ‘spatial hierarchy’ of settlements. It was envisaged that the primary focus for development would be the regions 21 “Strategically Significant Cities and Towns” (SSCTs), none of which are in North Dorset. The ‘emerging’ RSS envisaged that outside of the SSCTs, the focal points for locally significant development would be a defined network of “Market and Coastal Towns” and the focus for development in the wider countryside would be a defined network of “Small Towns and Villages”.
- 3.22. When the draft Core Strategy was prepared, a considerable amount of work was done to try and apply the regional ‘spatial hierarchy’ to the settlements of North Dorset and to set housing provision figures in accordance with this approach. The impending abolition of regional planning means that this is no longer required and the Council has the opportunity to reconsider both its spatial approach to growth and the proposed distribution of future housing development.
- 3.23. The ‘emerging’ RSS made provision for at least 7,000 dwellings to be built in North Dorset between 2006 and 2026, but provided no further detail on their distribution within the District. The future need for housing across Dorset has been re-examined in an updated SHMA and with a revised start date for the Core Strategy, it is now considered that 4,200 dwellings should be built in North Dorset between 2011 and 2026.
- 3.24. Housing affordability is a key issue across the South West and Policy H1 indicated that at least 35% of housing across the region should be affordable. Draft Core Policy 9 seeks 40% across most of the District (35% in Gillingham) on the basis of more local viability work.
- 3.25. The ‘emerging’ RSS also set out a range of policies to control the impact of proposed growth, dealing with issues such as sustainable construction, reuse of previously developed land and residential density. These matters are now dealt with in the NPPF, as discussed above.
- 3.26. The ‘emerging’ RSS identified a requirement for 37 residential pitches and 20 transit pitches for Gypsies and Travellers in North Dorset in the period up to 2011 and a need for 2 pitches for Travelling Show People in the whole of the Dorset sub-region. The ‘emerging’ RSS also indicated

that Councils should make provision for longer term needs on the basis of updated data on Gypsy, Traveller and Travelling Showpeople requirements, or in the absence of such data, on the basis of 3% compound growth in population per annum.

- 3.27. A Gypsy, Traveller and Travelling Showpeople Site Allocations Joint DPD is being prepared by local authorities in the Dorset sub-region, which was informed by the 'emerging' RSS and more local assessments of need, including a Gypsy and Traveller Accommodation Assessment (GTAA) for the whole of Dorset. Consultation on issues and options took place between November 2011 and February 2012.
- 3.28. It is now intended to produce a new assessment of need on the basis of new Government guidance entitled 'Planning Policy for Traveller Sites'. This indicates that *"local planning authorities should make their own assessment of need for planning purposes"* reflecting the fact that it is no longer intended to set such figures through the regional planning process.

#### South West Regional Housing Strategy 2005 - 2016

- 3.29. The South West Regional Housing Strategy was prepared in 2005 to cover the period to 2016. It set out the priority aims for housing in the South West, which were:
- Developing housing markets with a range of tenures which improve the balance between supply and demand and offer everyone access to a home they can afford;
  - Ensure that existing and new homes improve over minimum standards of quality, management and design; and
  - Ensure that housing makes a full contribution to achieving sustainable and inclusive communities.

#### **Local Strategies and Policy**

##### Dorset Sustainable Community Strategy 2010 - 2020

- 3.30. The draft Core Strategy was prepared on the basis of the earlier Dorset SCS, which covered the period from 2007 to 2016. The updated Dorset SCS, which covers the period from 2010 to 2020, identifies the priorities for the County with the aim of improving the social, environmental and economic wellbeing of the area.
- 3.31. The strategic priority relating to housing is that *"everyone can live in a good quality home and neighbourhood that meets their needs"*. This priority focuses on the lack of affordability, which is caused by high house prices and low incomes. The cost of running a home is highlighted, as is the need for sustainable construction techniques to minimise such costs. The SCS also highlights the need for suitable housing to meet the needs of Dorset's older people.
- 3.32. At the time the draft Core Strategy was written, the priorities of the SCS were being taken forward in the Local Area Agreement (LAA)

for Dorset. The Multi Area Agreement (MAA) for Dorset, Bournemouth and Poole also included an objective concerning housing delivery, which was for “*more efficient use of land in the urban areas, with the housing stock matched to people’s needs in a higher quality urban environment*”.

- 3.33. The priorities of the Dorset SCS remain important and will continue to underpin the draft Core Strategy as it moves towards adoption. However, the LAA and MAA are no longer being taken forward.

#### North Dorset Housing Strategy 2012 - 2015

- 3.34. The housing strategy for North Dorset has been updated since the draft Core Strategy was published and now covers the period from 2012 to 2015. It sets out how the Council will address the housing needs of the residents of the District and identifies three priorities, which are:
- Increasing the number of homes available to buy and rent, including affordable housing;
  - Protecting the vulnerable and disadvantaged by tackling homelessness and supporting people to stay in their own homes; and
  - Making sure that homes are of high quality and sustainable.

#### **Interim Position Statements**

- 3.35. In January 2011, the Council produced two interim position statements dealing with: housing provision and housing land supply; and affordable housing. A further position statement was produced in February 2011 indicating that the Council would no longer use its Planning Guidance Note (PGN) as a basis for seeking developer contributions towards certain projects.<sup>4</sup>

#### Interim Position Statement on Housing Provision and Housing Land Supply

- 3.36. The interim position statement on housing provision and housing land supply indicated that the Council would use the average annual rates of provision in the Initial Draft of the ‘emerging’ RSS (produced in June 2006) as the starting point for a review of housing numbers. These figures (often referred to as the ‘Option 1’ figures) proposed 255 net additional dwellings per annum (dpa) between 2006 and 2026. More up-to-date evidence of need has been gathering through the update of the Strategic Housing Market Assessment (SHMA), which suggests an average annualised rate of 280 dwellings per annum (280 dpa), which the Council now uses for the purposes of monitoring housing land supply.

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<sup>4</sup> The interim position statements can be viewed at - <http://www.dorsetforyou.com/interimposition/north>

### Interim Position Statement on Affordable Housing

- 3.37. The interim position statement on affordable housing included a preliminary review of draft Core Policy 9 reflecting the changes to the planning system at that time. The preliminary review concluded that draft Core Policy 9 remained an appropriate approach to the provision of affordable housing although it also suggested certain amendments in relation to viability assessments and off-site contributions. This preliminary assessment was undertaken prior to the introduction of the Affordable Rent product.
- 3.38. The interim position statements were produced in response to the reforms of the planning system and will assist the Council in taking forward the review of the draft Core Strategy. They will continue to be used in planning decisions until the revised Core Strategy is adopted.



#### **4.0 Issues Arising from Stakeholder and Community Consultations**

- 4.1 In June and July 2007 consultation was undertaken on issues and alternative options for the Core Strategy. The consultation was undertaken in the context of national and regional policy at the time.
- 4.2 Views were sought on the main issues of affordable housing, housing density and the approach to greenfield and brownfield land. Views were also sought on the provision of suitable accommodation for Gypsies and Travellers.
- 4.3 General comments highlighted the need to understand the housing market in North Dorset and the need to apply this knowledge to inform policy. Concern was expressed over the high levels of growth that had taken place in the District in the past and over the future of the District if these high growth levels were to continue. A more detailed report on the responses to the 2007 consultation is available online.<sup>5</sup>
- 4.4 Consultation took place between March and May 2010 on a draft Core Strategy. The responses to that consultation mostly commented on the wording of the draft policies relating to housing and affordable housing. A report summarising the key issues raised in response to that consultation can be viewed online.<sup>6</sup>
- 4.5 All Councils in Dorset are now working together to produce a Joint Site Allocations Plan for the provision of Gypsy and Traveller sites. Consultation on issues and options was undertaken between November 2011 and February 2012. A report summarising the responses to that consultation can be viewed online.<sup>7</sup>

#### **Affordable Housing**

- 4.6 The provision of affordable housing was generally recognised as an important issue for North Dorset in responses to consultation. It was also felt that the affordability problem would not be solved simply by building more homes, but that the solution lies with the provision of more affordable homes in appropriate locations.
- 4.7 The responses to early consultations favoured the provision of affordable housing on-site. There were concerns that off-site provision would be more difficult due to problems identifying and acquiring other suitable land, which could result in affordable housing sometimes not being built. Another suggested solution was to use contributions from smaller sites to support a higher proportion of affordable housing on larger sites.

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<sup>5</sup> The detailed report on responses to the 2007 consultation on issues and alternative options can be viewed here - <http://www.dorsetforyou.com/396679>

<sup>6</sup> The report on the responses to the draft core policies can be viewed here - <http://www.dorsetforyou.com/media.jsp?mediaid=175331&filetype=pdf>

<sup>7</sup> The final report on the responses to the consultation on the Dorset-wide Gypsy, Traveller and Travelling Showpeople Site Allocations Joint Development Plan Document can be viewed here - <http://www.dorsetforyou.com/media.jsp?mediaid=177360&filetype=pdf>

- 4.8 The issue of viability of residential sites was raised in 2007 and was also the subject of several responses to draft Core Policy 9 in 2010. Whilst some respondents supported the provision of 35% to 40% (or higher) affordable housing, others were concerned that demands for high levels of affordable housing provision could undermine housing delivery. Respondents felt that consideration should be given to the economics of site development to ensure that sites remain viable and still provide for other community needs such as open space. In 2010 responses to draft Core Policy 9 sought a more flexible approach to dealing with the issue of viability.
- 4.9 In 2007 several respondents noted that affordable housing is easier to achieve on greenfield sites and that larger greenfield sites offer the greatest potential for delivering affordable housing. It was also noted that development costs of a brownfield site are generally higher than greenfield sites due to the need for demolition and decontamination. In 2010 respondents expressed the view that viability assessments needed to be flexible to enable site-based considerations to be taken into account.
- 4.10 Views differed on the provision of affordable housing in villages. Whilst some favoured its provision, others were concerned that it should not be located in settlements with few facilities due to the additional cost of living associated with travel for everyday needs.
- 4.11 In 2010 concern was expressed about the implications of setting a low threshold (above which affordable housing is sought), especially for small sites. The proposed 70% rented; 30% intermediate housing split was generally supported as the starting point for discussions about provision on site. However, the need for flexibility was also noted. These responses pre-date the introduction of the affordable rent product. Tenure split in the context of affordable rent is discussed in Section 7 of the Autumn 2012 Key Issues consultation document.

### **Rural Exceptions**

- 4.12 Responses to consultation have generally supported the idea of a rural exceptions policy, acknowledging the lack of affordable rural housing in North Dorset. It was felt that if such sites were not allowed people on low incomes who may have ties to rural areas could be excluded from living in the countryside.
- 4.13 In 2007 there was concern that exceptions sites should be related to the local need for affordable housing and not to village size. There was also concern about permitting rural exception schemes in small villages due to the pressures this may place on limited local infrastructure (including roads) and facilities.
- 4.14 In responses to draft Core Policy 10 in 2010, there were concerns about whether it was appropriate to provide rural exception schemes in remote rural locations, as the residents would have few opportunities

for work, limited access to facilities and would be likely to incur proportionately higher travel costs to meet these needs.

- 4.15 The NPPF continues to support the concept of rural exception schemes, but allows local authorities to consider whether an element of market housing should be permitted on such sites. This matter is discussed in Section 8 of the Autumn 2012 Key Issues consultation document.

### **Greenfield and Brownfield Land**

- 4.16 In 2007 there was clear support for a strategy that put a high priority on the redevelopment of brownfield land to regenerate settlements and that the proportion should be higher than that achieved in the past. Conversely, there was a lack of support for expansion onto greenfield land. There was strong support for trying to deliver 50% of development on brownfield land, in line with the draft regional target.
- 4.17 The need for development to be supported by the necessary infrastructure was highlighted and concern was raised over the degradation of the quality of life in towns through poorly designed, high density brownfield development.
- 4.18 In 2010, draft Core Policy 5 suggested a target of 35% of housing development on greenfield land, which was considered to be the most that could be delivered given the likely opportunities in the District. Responses to this suggested target were mixed. Some felt that there was no case to deviate from the regional target of 50%, whereas others questioned whether even 35% was deliverable.
- 4.19 Since the 'emerging' RSS is no longer being taken forward, it is highly unlikely that the draft regional target will be adopted. The NPPF also does not require Councils to set a target for development on previously developed land, although brownfield development is still encouraged.

### **Residential Density**

- 4.20 In 2007 concerns were raised over high density developments and the loss of character within settlements. Suggestions were that densities could be lower where the character of an area would be adversely harmed by high density development including on brownfield regeneration sites. Responses also suggested that high densities are not appropriate to a rural district such as North Dorset even in urban areas as "town cramming" would result. These concerns were echoed in the responses to the consultation in 2010.
- 4.21 In both consultations, the need for flexibility was recognised, as was the scope for higher densities in certain circumstances. It was suggested that large greenfield extensions to settlements could be planned to incorporate a range of densities, perhaps with higher



densities on the edge of an existing settlement, gradually decreasing closer to the countryside edge of the extension site.

- 4.22 Responses to consultation in 2007 and 2010 were made in the context of a national indicative minimum density standard of 30 dwellings per hectare (30 dph) and an average density to be sought across the region (in 'emerging' RSS) of 40dph. In this context respondents suggested that actual density on a site should be the highest possible, when balanced against site characteristics. In 2007 there was a suggestion that the Council should undertake a district-wide character assessment to look at the compatibility of high density developments with areas of important character.
- 4.23 Generally there has been support for more subtle policies on density rather than a blanket minimum across the District as a whole with lower densities being permitted where the character and amenity of areas needs protecting.
- 4.24 Since the draft Core Strategy was published in March 2010, the national indicative minimum density standard of 30 dph has been dropped and it is highly unlikely that the draft regional target will be adopted, as the 'emerging' RSS is no longer being taken forward.
- 4.25 Changing national and regional policy in relation to development on brownfield land, the definition of brownfield land (to exclude residential gardens) and density standards has given the Council the opportunity to reconsider its approach to these issues and the implications for policies on infilling. These matters are discussed in Section 6 of the Autumn 2012 Key Issues consultation document.

### **Gypsies and Travellers**

- 4.26 The need to provide sites for Gypsies and Travellers was included as an issue in the 2007 consultation to seek views on how best to provide such sites. The responses gave support to providing sites in both rural and urban areas, in locations accessible to facilities. Responses were also received suggesting that a number of small sites were preferable to a few larger sites. It was highlighted that Gypsies and Travellers have different needs which should be catered for separately.
- 4.27 The draft Core Strategy included a criteria-based draft policy (draft Development Management Policy 6) relating to the provision of sites for Gypsies, Travellers and Travelling Showpeople. A policy of this nature will be included in the revised Core Strategy, however, it will need to be updated to reflect the progress of the Dorset-wide Joint Site Allocations DPD and the provisions of recent Government policy that require local authorities to maintain a five-year supply of sites. This matter is discussed in Section 15 of the Autumn 2012 Key Issues consultation document.

## 5.0 Headline Results from Evidence Based Studies

- 5.1. To inform the production of the Core Strategy, the Council undertook and commissioned several evidence gathering exercises. The three main studies undertaken, in line with the NPPF are as follows:
- Bournemouth / Poole Housing Market Area Strategic Housing Market Assessment (SHMA). The SHMA was originally produced in March 2008 and included an HMA-wide housing needs survey and an assessment of the housing market and housing needs for North Dorset. An updated SHMA and an updated summary report for North Dorset were produced in January 2012.
  - North Dorset Strategic Housing Land Availability Assessment (SHLAA). The SHLAA for North Dorset assesses the availability of suitable land for residential development across North Dorset. It was originally published in February 2009 with a base date of 2007 (updated to 2008). An updated SHMA was produced in August 2011 with a base date of 2010 (updated to 2011).
  - North Dorset District Council Affordable Housing and Residential Economic Viability Study (the viability study). This study provides an assessment of the viability of residential developments across the District considering the level of contributions for affordable housing. The work was commissioned jointly by five Dorset authorities. The final report for North Dorset was published in January 2010.
- 5.2. Both the SHMA and the SHLAA have been updated since the draft Core Strategy was published in March 2010. The headline findings from these studies are summarised below.<sup>8</sup>

### Strategic Housing Market Assessment

- 5.3. The main purposes of the SHMA are to:
- develop long term strategic views of housing need and demand;
  - help plan for a mix of household needs;
  - assist local authorities in setting the level of affordable housing that should be sought; and
  - assist local authorities with a range of housing decisions with the ultimate aim of meeting the needs for housing through a better understanding of the housing market.
- 5.4. The main outcomes of the 2008 study were: figures on the overall need for affordable housing; guidance on the split between market and affordable housing that should be sought (also having regard to viability); and the types of housing (i.e. 1, 2, 3 or 4 bedrooms) required. The District-wide housing provision figure in the draft Core Strategy was set

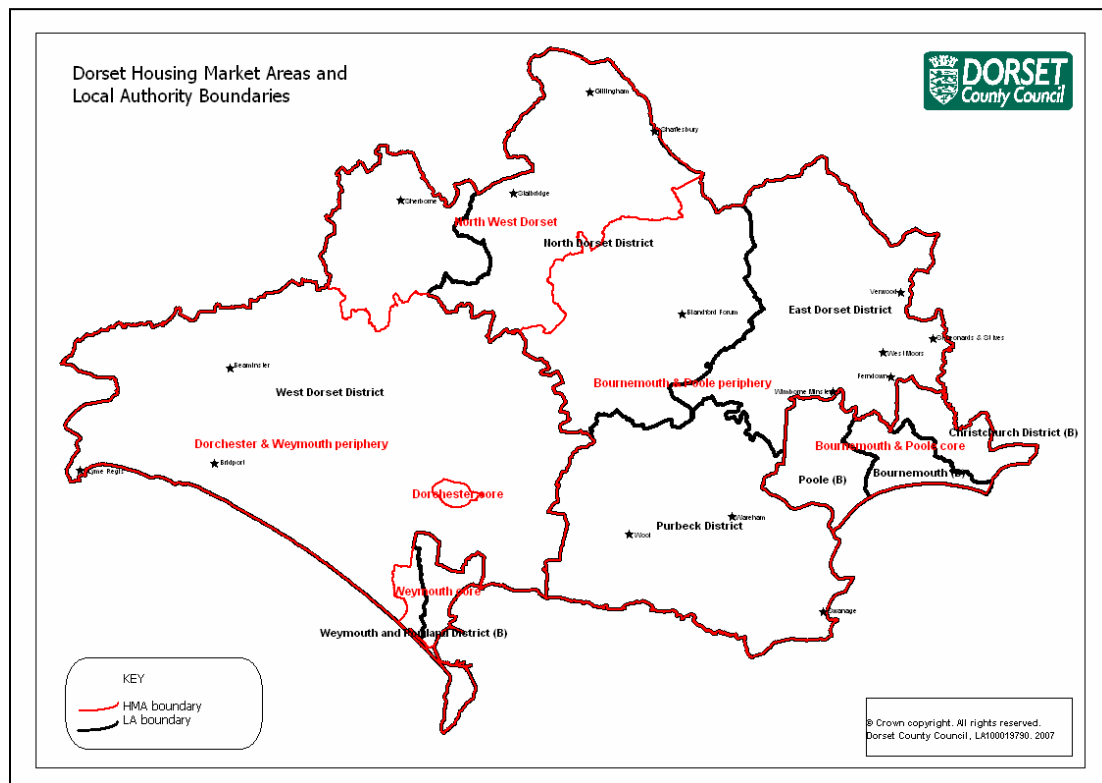
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<sup>8</sup> These studies can all be downloaded from the housing evidence base studies page here - <http://www.dorsetforyou.com/396811>

on the basis of draft policies in the ‘emerging’ RSS. This figure was re-evaluated in the 2012 SHMA update.

- 5.5. The SHMA shows that the northern part of the District, including the towns of Gillingham, Shaftesbury, Sturminster Newton and Stalbridge, look towards Yeovil and Salisbury and lie within the ‘North West Dorset’ functional HMA. The southern part of the District, including Blandford lies within the ‘Bournemouth & Poole periphery’ functional HMA as shown in Figure 2.

**Figure 2: Dorset Housing Market Areas**



- 5.6. The 2008 SHMA study concluded that Yeovil played “a more dominant role than Salisbury in the north of the County” and “that the housing market in the north and west of the County is more closely aligned to Yeovil than to Bournemouth or Dorchester.”
- 5.7. The 2011 SHMA update for North Dorset shows that there are approximately 28,800 households in the District, of which 74% are owner occupiers, 13% occupy social rented housing and 13% occupy private rented housing. Well over half of the owner occupied housing is owned outright, with no mortgage. The 2008 SHMA showed that approximately half of all housing is considered to be under-occupied as measured against the “bedroom standard”<sup>9</sup>.

<sup>9</sup> An assessment of the number of bedrooms available against the number of bedrooms needed to avoid undesirable sharing. More than one spare bedroom is considered under-occupancy and conversely, a deficiency in the number of bedrooms available is considered overcrowding.

- 5.8. The 2008 SHMA study showed that house prices in the District were about 8% higher than the England and Wales average but slightly below the equivalent for Dorset as a whole. The increase in average house prices in the District over the period 2001 to 2006 was 65%. The 2011 SHMA update showed that there had been a significant downturn in the national and local property market since 2007. Between the third quarter of 2007 and the first quarter of 2011 average (median) house prices in North Dorset had fallen by 12.4%. The number of sales in 2010/11 was about 40%-50% below typical trends from before the economic downturn.
- 5.9. In relation to North Dorset the 2011 SHMA update states that *“trend-based data suggests household growth of around 273 per annum for the period 2011 to 2031 and so a housing delivery figure (on the basis of this figure) might be around 280 per annum (to take account of a small vacancy rate)”*. This is the figure that the Council intends to use as the basis for housing provision in the revised Core Strategy. The plan period will be re-based to 2011 to give a 15 year plan period to 2026. 280 dpa equates to 4,200 homes over 15 years. This is a reduction from the 7,000 homes over 20 years (2006 to 2011) proposed in the draft Core Strategy, which was based on the annualised rate in the ‘emerging’ RSS of 350 dpa.
- 5.10. The 2008 SHMA study identified an annualised need within the District for 399 affordable dwellings. The study suggested that 70% should be available for social rent and 30% should be for intermediate housing. The 2011 SHMA update identified a slightly lower annualised need for 387 affordable dwellings and clarified that this was the annualised level of provision that would be required over 5 years to meet the identified need. The 2011 SHMA update also took account of the new ‘affordable rent’ product and suggested (on the basis of need) that 60% should be available for social rent, 26% affordable rent and 14% should be intermediate housing.
- 5.11. The 2011 SHMA update also looked at the need for affordable housing by area. The greatest needs are estimated to be in Gillingham and Blandford (i.e. the largest settlements) with around 24% of the annual net need arising in rural areas (i.e. outside the four main towns of Blandford, Gillingham, Shaftesbury and Sturminster Newton).
- 5.12. The 2008 SHMA study suggested a need for approximately 9% of all new housing to be 1 bed dwellings, 22% to be 2 bed dwellings, 46% to be 3 bed dwellings and 23% to be larger at 4 or more bed dwellings. The 2011 SHMA update gave figures for the needs by size for both market and affordable housing. It suggests that 6% of all new market housing should be 1 bed dwellings, 35% should be 2 bed dwellings, 36% should be 3 bed dwellings and 23% should be larger at 4 or more bed dwellings. It also suggests that 28% of all new affordable housing should be 1 bed dwellings, 34% should be 2 bed dwellings, 28% should be 3 bed dwellings and 11% should be larger at 4 or more bed dwellings.

- 5.13. The outputs from the housing needs and housing market models in the 2011 SHMA update report continue to identify a significant need for affordable housing. The report recognises that the private rented sector will continue to house many people in need and that the Council's affordable housing policies will be constrained by economic viability considerations.
- 5.14. The main policy considerations that came out of the 2011 SHMA update study were that:
- the housing market has changed significantly since the original SHMA report was produced, as a result of the economic downturn;
  - the overall projected need for housing has reduced from 350 to 280 dwellings per annum;
  - the overall need for affordable housing remains high and similar to levels identified in the 2008 SHMA report, with 24% of the need coming from rural parts of the District (i.e. outside the four main towns);
  - there is a need for a variety of sizes of housing, particularly 2 and 3 bedroom market and affordable homes and 1 bedroom affordable properties;
  - having regard to the affordable housing product, the main need remains for affordable rented properties.

### **Strategic Housing Land Availability Assessment**

- 5.15. The SHLAA aims to identify land across the District that may be suitable for housing development. The aim is to identify sufficient land to meet the housing requirement for the District and to inform the Council's planning policies as to the location of the available land.
- 5.16. The North Dorset SHLAA was initially undertaken in 2008, with a base year of 2007, to a methodology approved by an independent panel made up of local environmental groups, developers, community groups and local authority planners. This methodology followed closely that outlined by Government, adding detail to reflect local circumstances. The SHLAA was updated in 2011 to give a revised base date of 2010.<sup>10</sup>
- 5.17. The results of the initial study published in early 2009 identified sufficient suitable land to deliver more than 13,000 dwellings against the requirement in the 'emerging' RSS of 7,000 dwellings. A similar level of land supply (i.e. with the capacity for 13,000+ dwellings) was also identified in the 2011 SHLAA update. The majority of this land was on greenfield sites, however there was sufficient brownfield land identified to deliver 1,500 dwellings.
- 5.18. Using the 2010 base year, 1,872 dwellings were considered to be deliverable within five years as they had no policy or ownership

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<sup>10</sup> Information relating to the North Dorset SHLAA, including mapping of all the SHLAA sites in the District, can be viewed from this page - <http://www.dorsetforyou.com/shlaa/north>



constraints related to them. The remainder of the supply was considered to have longer term potential for housing although not all of these sites would be developed within the plan period (to 2026).

5.19. The breakdown of the location of available land as identified in the 2009 SHLAA report was as follows:

Blandford	about 2,500 dwellings
Gillingham	about 4,700 dwellings
Shaftesbury	about 1,300 dwellings
Sturminster Newton	about 500 dwellings
Stalbridge and larger villages	about 4,000 dwellings

### **Affordable Housing and Economic Viability Study**

5.20. The study into the economic viability of housing sites focused on the split between affordable housing and market housing which could be sought on mixed tenure sites (the percentage) and the size of sites on which affordable housing should be sought (the threshold). The aim was to inform planning policy to enable increased delivery of affordable housing.

5.21. Setting levels too high may negatively impact on the overall levels of housing delivery and therefore considerations of the viability of a scheme are important. The existing or permitted alternative use value of a site is an important factor in site viability. The value of the scheme, deducting contributions, including for affordable housing (known as the residual land value) needs to be higher than the current or alternative use of the land to enable development to happen.

5.22. In addition, setting contributions for affordable housing too high may result in other planning obligations (e.g. for play space) being diminished. The testing undertaken as part of this study assumed a flat rate planning obligation of £5,000.

5.23. The analysis of development viability was based on “Market Value Areas” where house prices, the end result of development, were relatively similar. For the purpose of this study, the District was split into six Market Value Areas. These were Blandford Town, Gillingham Town, Shaftesbury Town, Blandford Rural Hinterland, Gillingham/Shaftesbury Rural Hinterland and the Rural West centred on Sturminster Newton.

5.24. The effects on development viability of increasing percentage requirements for affordable housing were tested within these areas against differing density developments. The results showed that in most areas, residual value, and hence viability, increased with higher density development up to a maximum of 50 dwellings per hectare for almost all levels of affordable housing provision. The exceptions were in Gillingham Town where 50% affordable caused the residual value to decrease above densities of 30 dwellings per hectare and in Blandford Town where residual value decreased at 60% affordable.

- 5.25. However, the alternative use land value would mean that many of these affordable housing percentages would be unviable as the alternative use becomes a more attractive option than developing the land for housing. In the rural areas, higher percentages of affordable housing are viable than in the towns. In the towns, a level of 40% affordable housing appears viable with the exception of Gillingham where residual land values are lower. In Gillingham, percentages lower than 40% would be viable.
- 5.26. The study looked at the contribution that small sites played in delivering housing in North Dorset. It found that a significant proportion of new dwellings were provided on small sites especially in the rural areas. Therefore by setting the threshold for sites on which affordable housing would be sought at a low level, more affordable housing could be delivered. In terms of viability, it was found that small sites were no less viable than large sites although viability may need to be assessed at the site level.
- 5.27. When looking at small sites, the percentage of affordable housing being sought on site may result in a fraction of a dwelling being required to be affordable. In this case, a contribution of equivalent value to that fraction should be taken to provide for off site affordable housing.
- 5.28. The study raised the issue of sites which have a high current use value. Such sites include those already in residential use and where the demolition of a dwelling would be required. The study suggests that, in many cases, small sites in existing residential use where the net gain is less than 3 dwellings would not be viable.
- 5.29. When setting the proportion of affordable housing that would be sought on a site, the study identified two options. It also identified the need to consider the balance between delivering affordable housing and other planning obligation requirements.
- Option 1: a flat target which is viable in the lowest Market Value Area (for example 30% in Gillingham)
  - Option 2: a split target with Gillingham being set lower than other areas (for example 30% and 40%)
- 5.30. The options identified when setting the site size threshold above which affordable housing would be sought are:
- Option 1: operate a threshold of 15 dwellings across the District in line with the (former) national indicative minimum (which is no longer included in the NPPF);
  - Option 2: operate a zero (low) threshold across the District to maximise delivery of affordable housing;
  - Option 3: operate a split threshold of 15 dwellings in the main towns and a lower threshold in the rural areas.

## 6.0 Issues Arising from Evidence Based Studies

### Housing Market Areas

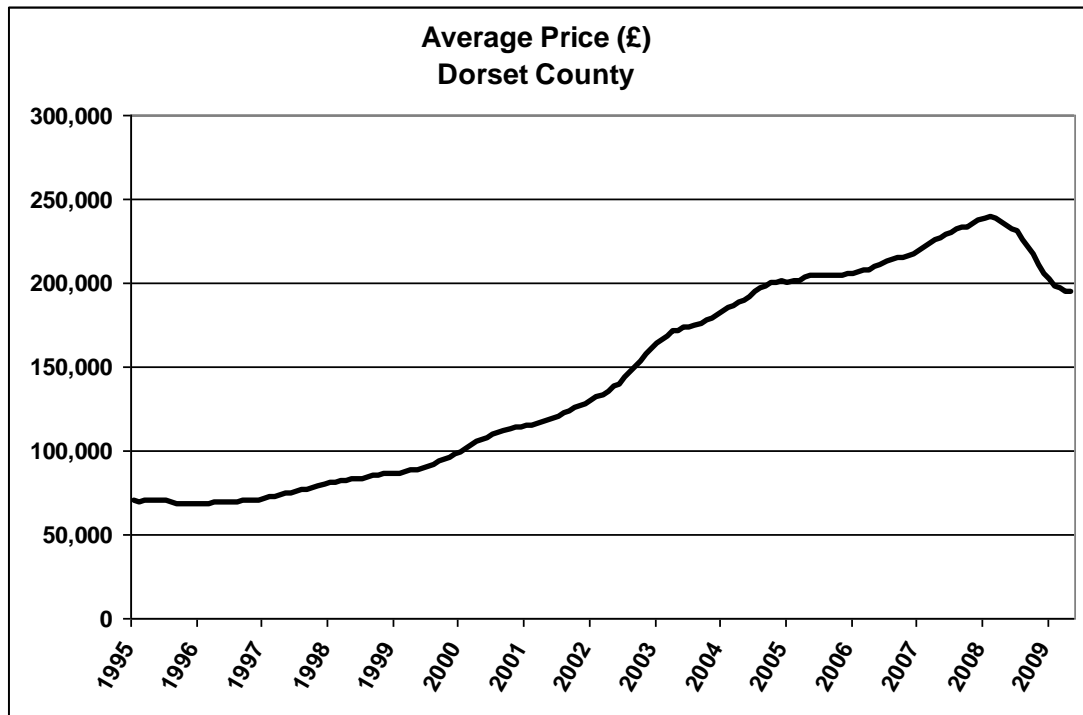
- 6.1. Work undertaken during the preparation of the 'emerging' RSS found that 'functional' housing market areas within the region do not fall directly within local authority boundaries (see Figure 1 in Section 3). It also showed that Salisbury has a significant influence in the Gillingham and Shaftesbury areas, if not throughout the north of the District as a whole.
- 6.2. The SHMA studies for Bournemouth, Dorset and Poole were undertaken on the basis of there being two main housing market areas in Dorset, which were drawn along administrative boundaries. However, the studies also noted the significant influence from outside of the County. This is especially true in North Dorset where the northern parts of the District, including the towns of Gillingham, Shaftesbury, Stalbridge and Sturminster Newton, look towards Yeovil and Salisbury. The SHMA concluded that Yeovil played a more dominant role than Salisbury in the north of the County.
- 6.3. For the purposes of undertaking housing studies, North Dorset is considered to fall entirely within the Bournemouth and Poole Housing Market Area. However, when considering housing issues at the more local level, the more detailed findings of how housing markets function in practice needs to be taken into account.

### Housing Affordability

- 6.4. In Dorset as a whole, the affordability of housing is an important issue. House prices increased significantly from an average of about £107,000 in mid-2000 to a high of over £239,000 in 2008, as shown in Figure 3. Prices then showed a sharp drop before recovering in late 2009 and through 2010. There remains considerable uncertainty about how house prices might change in the future. Average income levels did not keep pace with house price increases in the period up to 2008 and although mean household income in 2010 was estimated to be 6% higher than in 2007, the affordability issue remains.
- 6.5. Demand for housing is likely to continue to rise as the population of the District increases and the trend for smaller household sizes continues. Building more housing to meet the need will go some way to slowing the increase in house prices but alone cannot make housing more affordable. The provision of subsidised housing is accepted as a method of meeting need and tackling the affordability problem.



**Figure 3: Average House Price Trend, Dorset County**



6.6. Affordability is an issue in North Dorset and house price to income ratios are among the highest in the country. When looking at the affordability of cheaper homes for lower earners, the extent of the affordability barrier is highlighted, as set out in Table 1 below.

**Table 1: House price to income ratio for Districts in Dorset<sup>11</sup>**

House Price to Income Ratio	2001	2003	2005	2007	2009	2010	2011
Christchurch	8.02	10.30	10.37	12.37	9.48	11.61	9.56
East Dorset	8.27	10.15	11.63	12.90	11.18	11.74	11.77
<b>North Dorset</b>	<b>5.90</b>	<b>8.60</b>	<b>9.38</b>	<b>9.75</b>	<b>8.75</b>	<b>9.39</b>	<b>9.45</b>
Purbeck	7.69	7.75	10.01	9.32	8.00	10.91	9.58
West Dorset	6.34	9.77	10.55	11.72	9.86	10.41	9.87
Weymouth and Portland	5.32	8.21	9.16	10.41	7.89	8.72	8.06
DCC Dorset	6.31	8.99	10.08	10.94	9.30	10.33	9.68
South West	5.18	7.11	8.58	8.94	7.63	8.17	7.84
England	4.08	5.23	6.82	7.25	6.28	6.69	6.53

<sup>11</sup> These figures are taken from DCLG statistics, which can be viewed online here - <https://www.gov.uk/government/statistical-data-sets/affordability-including-local-level>. These figures have been extracted from Table 576: Ratio of lower quartile house price to lower quartile earnings by District

- 6.7. In North Dorset house building rates between 1998 and 2008 averaged about 400 new dwellings per annum. Of these about 12% were affordable<sup>12</sup>. This was well below the target of 35% affordable housing in the 'emerging' RSS and the level of provision that is considered to be viable. More recently the level of affordable housing provision has increased with 154 affordable completions in 2010/11 and 128 in 2011/12.
- 6.8. The housing viability study suggests that 40% affordable housing on residential development sites is viable and that by setting the threshold for provision of affordable housing at zero, delivery could be maximised. There are two exceptions to this. Firstly, in Gillingham it is likely that schemes would only be viable at a lower percentage and secondly small sites (providing less than 3 net dwellings) where the existing use of the site is residential, are unlikely to be viable
- 6.9. The situation in Gillingham is unusual partly because of low residual land values but also because of the need to regenerate the town centre. For this reason it may be more appropriate to seek a lower percentage of affordable housing for example 30 to 35%.
- 6.10. The approach of setting a zero threshold (with the exception of small residential to residential schemes where the threshold could be set at 2) and requiring 40% affordable housing on development sites, (except in Gillingham where the percentage could be set at 30 or 35%) is likely to deliver the maximum number of affordable dwellings having regard to viability.

### Rural Exception Schemes

- 6.11. The 'emerging' RSS supported rural exceptions policies, but also sought to control the distribution of development. It stated: *"Where viable LPAs should consider allocating and releasing sites solely for affordable housing including using a rural exception site policy. It is important that all development taking place in small towns and villages support their roles as local hubs for community facilities and services including public transport. Development in the countryside, particularly of housing, will be strictly controlled in accordance with national policy."*
- 6.12. The 'emerging' RSS is no longer being taken forward. However, the NPPF still supports the inclusion of rural exceptions policies in plans. It also allows local authorities to consider whether an element of market housing should be permitted on such sites, as discussed in Section 8 of the Autumn 2012 Key Issues consultation document.
- 6.13. Consultation on this issue is being undertaken in the context of a different draft policy approach to the spatial distribution of development

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<sup>12</sup> This figure excludes low cost market housing completions, which no longer falls within the definition of affordable housing. An additional 5% of dwellings completed over the period were low cost market homes, effectively increasing the percentage to 17%.

and its delivery in North Dorset. The proposed new approach is to concentrate the vast majority of growth at the District's four main towns. Elsewhere it is proposed that the emphasis should be on meeting local (rather than strategic) needs, to be delivered primarily through neighbourhood planning.

- 6.14. This overall approach would still enable affordable homes for local people to be provided on rural exceptions sites without the need for a neighbourhood plan to be produced. It could also allow a small element of market housing to be delivered through this mechanism, if draft Core Policy 10 is revised to permit it.
- 6.15. In earlier consultations there were concerns about permitting rural exception schemes, which are typically inhabited by people on low incomes, in areas poorly served by everyday facilities. Allowing such development could increase the living costs of the occupants and therefore offsets some of the benefits of providing affordable housing. However, the alternative of not providing such schemes could mean that local housing need goes unmet.
- 6.16. The text to draft Core Policy 10 suggested 'guidelines' for the location of such schemes indicating that they should usually be located in settlements with more than 1 essential everyday facility and with at least 100 inhabitants up to the ceiling of 3,000 inhabitants. This would identify the following settlements as the focus for the search for rural exception sites, if a need is identified:

Bourton	Buckhorn Weston
Charlton Marshall	Child Okeford
Durweston	East Stour
Fontmell Magna	Hazelbury Bryan (including Pidney, Wonston & Kingston)
Hinton St Mary	Ibberton
Iwerne Courtney (Shroton)	Iwerne Minster
Kings Stag	Manston
Mappowder	Marnhull
Melcombe Bingham and Ansty (including Higher Ansty and Lower Ansty)	Milborne St. Andrew
Milton Abbas	Milton-on-Stour
Motcombe	Okeford Fitzpaine
Pimperne	Pulham
Shillingstone	Spetisbury
Stalbridge	Stour Row
Stourpaine	Sutton Waldron
Tarrant Keyneston	Tarrant Monkton & Launceston
West Stour	Winterborne Kingston
Winterborne Stickland	Winterborne Whitechurch
Winterborne Zelston	

6.17. Two of these settlements are located very close to towns at which larger amounts of housing (including affordable housing) will be provided. Milton-on-Stour is located close to the northern edge of Gillingham and Hinton St Mary lies to the north of Sturminster Newton. In these villages it could be considered more appropriate to meet any local need for affordable housing in the adjacent towns.

### Greenfield and Brownfield Land

6.18. Between 1995 and 2008, the proportion of residential development on brownfield land (as defined at the time) has varied from 30% to 84% with an average of about 45%. The lower percentage relates to a period where a large number of dwellings were being built on allocated greenfield sites. Conversely, the higher percentage relates to a period when the amount of development on allocated greenfield sites was much less. Table 2 shows that these higher percentages are unusual in North Dorset and in fact, excluding the last two atypical years, the average is only 40%.

**Table 2: Percentage of all completions on brownfield and greenfield land**

Year	Brownfield	Greenfield
1995/96	40.9%	59.1%
1996/97	35.4%	64.6%
1997/98	45.9%	54.1%
1998/99	56.3%	43.7%
1999/00	45.5%	54.5%
2000/01	30.0%	70.0%
2001/02	41.1%	58.9%
2002/03	35.8%	64.2%
2003/04	33.0%	67.0%
2004/05	31.8%	68.2%
2005/06	38.8%	61.3%
2006/07	77.4%	22.6%
2007/08	83.9%	16.1%
Average	45.8%	54.2%

6.19. If the effect of large allocated sites is removed from the analysis, the percentage of development that takes place on unallocated brownfield land is approximately 33%.

- 6.20. This analysis indicated that it would be unlikely that the Council could meet the 50% target that was suggested in the 'emerging' RSS and further work, based on the North Dorset SHLAA was undertaken to try and establish the amount of housing that could realistically be delivered on brownfield sites.
- 6.21. In the 2008 SHLAA, enough land was identified to provide 1,500 dwellings on brownfield land. Taking into account past completions, this equated to approximately 24% of the 7,000 requirement in 'emerging' RSS being on identified brownfield land. The majority of this brownfield land was identified as being in the five year supply, which highlights the difficulty of trying to predict what brownfield land might come forward in the longer term.
- 6.22. This work suggested that the 50% target in 'emerging' RSS would be unattainable, largely due to the rural nature of the District which remains largely undeveloped. It was also noted that not all brownfield sites are in suitable locations for residential development and in some cases greenfield land in a more suitable location may offer a better alternative.
- 6.23. Draft Core Policy 5 proposed a challenging District-wide target of at least 35% of all new housing to be delivered on brownfield land, which attracted a variety of consultation responses, as explained in Section 4. In the light of the changes to national and regional policy, the Council will have to consider whether a brownfield target for housing development is still needed.

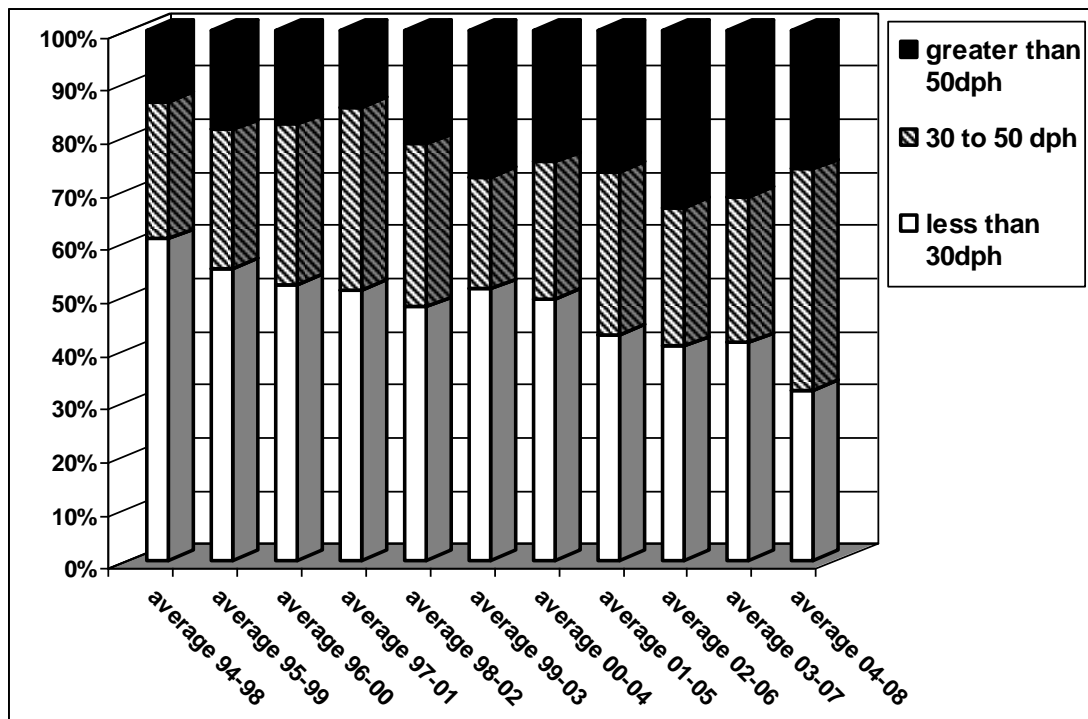
### **Residential Density**

- 6.24. The 'emerging' RSS sought the achievement of 40 dwellings per hectare across the whole HMA. It stated that *"less than 30 dwellings per hectare is considered to be an inefficient use of land and makes provision of sustainable transport more difficult. Between 30 and 50 dwellings per hectare represents a more sustainable density"*.
- 6.25. In the light of this emerging target, draft Core Policy 8 was written to try and ensure that all housing development was delivered at a density between 30 and 50 dph.
- 6.26. Responses to consultation highlighted the concerns of local communities about the impact these targets could have on the character of towns and villages and the implications for parking and traffic.
- 6.27. In rural areas such as North Dorset it may be appropriate to seek higher densities in the most accessible locations such as town centres or areas well served by public transport. However, it is difficult to build good quality family housing at very high densities due to the need to provide private amenity space.
- 6.28. Even within the context of these draft targets, it was felt that was a case for seeking lower densities in more rural parts of the Bournemouth /

Poole HMA, as higher density schemes would be built in the urban centres of Bournemouth and Poole.

6.29. Figure 4 below shows that national policy had an influence on the density of housing development that took place in North Dorset between 1994 and 2008, with a steady decrease in the proportion built below 30dph.

**Figure 4: Residential Density (5-year rolling average (1994/95 to 2007/08))**



6.30. With the abolition of the national indicative minimum density standard and in the light of the fact that it is very unlikely that the draft target in ‘emerging’ RSS will ever be adopted, there is no longer a requirement for the Council to set a density target.

6.31. National policy now indicates that councils should “*set out their own approach to housing density to reflect local circumstances*”. This approach has already been taken forward in some areas through the preparation of town and village design statements by local communities. This could also be one of the issues that local communities may seek to address in forthcoming neighbourhood plans.

## 7.0 Conclusions

- 7.1. Future housing needs have been reassessed in studies which have been updated to take account of changes to the planning system and the downturn in the economy. These studies show a reduced overall need for housing, but a continuing need for affordable housing.
- 7.2. High house prices and low wages act as a significant barrier to households meeting their basic need for housing, which also has knock on effects for the economy and the quality of life of residents. The provision of high levels of affordable housing alongside market housing remains an important priority for the Core Strategy, as it is for the updated Dorset Sustainable Community Strategy.
- 7.3. 'Higher level' policy still seeks a sustainable distribution of development, but the NPPF and the impending abolition of regional planning provide a much less prescriptive framework within which local policy can be developed. Residential developments still need to be focused on existing urban areas and make good use of the land they occupy. However, policies at the District level are no longer required to adhere to a regional 'spatial hierarchy', a national indicative density standard or a regional density target.
- 7.4. The rural nature of the District means that brownfield land is not abundant. It remains important to encourage development on brownfield land where regeneration opportunities arise in suitable locations. However, such developments are no longer driven by a national 'brownfield first' approach or a regional brownfield target for housing development.
- 7.5. Reflecting these broad issues, the following are the key implications for housing policies in North Dorset based on the evidence gathered so far:
  - The provision of affordable housing remains a priority both to meet the needs of the local population and to provide a balanced workforce to support the local economy;
  - In terms of 'functional' housing markets, the north of the District looks towards Yeovil and Salisbury, whereas the south primarily looks towards Bournemouth and Poole;
  - For planning purposes North Dorset falls entirely within the Bournemouth and Poole Housing Market Area (HMA);
  - Provision needs to be made for about 4,200 dwellings within the District over the period 2011 to 2026; a rate of 280 dwellings per annum;
  - Sufficient available land within the District has been identified in suitable locations to meet this level of housing development;
  - 387 affordable dwellings would need to be delivered each year for the next 5 years to meet the level of need identified in the updated SHMA;



- The updated SHMA suggests (on the basis of need) that 60% of the affordable housing provided should be available for social rent, 26% should be for affordable rent and 14% should be for intermediate housing;
- Based on viability, 40% of all housing is an appropriate percentage to seek as affordable housing in all areas except Gillingham where a lower percentage may need to be set (for example 30 to 35%);
- The affordable housing threshold should be set as low as possible (for example at zero) due to the large contribution that small sites make to the housing supply;
- Contributions in-lieu of on-site provision should be at a comparable level to provision on-site;
- Approximately 6% of new market housing provided should be 1 bed dwellings, 35% 2 bed, 36% 3 bed and 23% 4 or more bed dwellings;
- Approximately 28% of new affordable housing provided should be 1 bed dwellings, 34% 2 bed, 28% 3 bed and 11% 4 or more bed dwellings;
- Development on brownfield land should be encouraged, but local policy no longer needs to reflect a 'brownfield first' approach or a regional brownfield target for housing development;
- There is no longer a need for local policy to set a District-wide density target and any District-wide approach to housing density should reflect local circumstances;
- There may be opportunities for local communities to develop local approaches to density both through neighbourhood planning and through existing approaches, such as town and village design statements;
- The possibility of permitting an element of market housing within rural exceptions schemes needs to be considered, as does the location of such schemes to ensure that the occupants are not disadvantaged by their remote location; and
- Policies in the draft Core Strategy relating to Gypsies, Travellers and Travelling Showpeople need to be updated to reflect progress on the Dorset-wide Gypsy, Traveller and Travelling Showpeople Joint Development Plan Document and changes to national policy relating to the supply of such sites.